GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1098
ANSWERED ON:22.07.2016
Fund for Startups
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to set up a startup corpus of Rs.10000 crore and if so, the details thereof along with the details of jobs creation expected therefrom;
(b) the details of encouragement extended or proposed to be extended by the Government in the matter including tax relief etc.;
(c) whether people from backward castes/tribes are being extended any favour in this regard;
(d) if so, the details thereof including private sector participation in development of these communities; and
(e) if not, the reasons therefor?

Answer

(a) to (e) : The Government has approved the setting up of Fund of Funds for Startups (FFS) with a corpus of Rs. 10000 crore. Rs.500 crore have been released in the Financial Year 2015-16 to Small Industries Development Bank of India (SIDBI) to start its operations and Rs.600 crore has been earmarked for Financial Year 2016-17. As a Fund of Funds, FFS would not invest directly in Startups, but would participate in the capital of Securities and Exchange Board of India (SEBI) registered Alternate Investment Funds (AIF). FFS is designed to support 18 lakh jobs at full deployment. FFS would be sector agnostic enabling it to support a broad mix of startups set up by all categories of people. The Startup will act as a catalyst to attract private capital by way of equity, quasi-equity, soft loans and other risk capital for start-up companies.